

Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 ANKARA 06433 191251Z

50

ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 CIAE-00 PM-04 INR-07 L-03

ACDA-05 NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06

TRSE-00 SAJ-01 EB-07 COME-00 OMB-01 NSC-05 CIEP-01

AID-05 /087 W

----- 114992

R 191158Z AUG 75

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC 425

INFO USCINCEUR

CINCUSAFE

SECDEF WASHDC

AMEMBASSY TRIPOLI

USMISSION NATO

AMCONGEN ISTANBUL

AMCONSUL ADANA

AMCONSUL IZMIR

USMISSION OECD PARIS

LIMITED OFFICIAL USE ANKARA 6433

E.O. 11652: N/A

TAGS: MPOL, PINT, EIND, TU

SUBJECT: MINISTRY OF DEFENSE PLANNING FOR TURKISH DEFENSE INDUSTRY

SUMMARY: THE MINISTRY OF DEFENSE ANNOUNCED ON AUGUST 16 THAT A PAPER OUTLINING THE STRATEGY IN ESTABLISHING TURKEY'S NATIONAL DEFENSE INDUSTRY HAS BEEN SENT TO THE OFFICE OF THE PRIME MINISTER FOR SUBMISSION TO THE HIGH PLANNING COUNCIL AND THE COUNCIL OF MINISTERS. THE MINISTRY OF DEFENSE STATED THAT THE PAPER OUTLINED IN GENERAL TERMS THE RATIONALE FOR THE FOUNDATION OF THE DEFENSE INDUSTRY. PRIORITY WAS GIVEN TO REDUCING THE COUNTRY'S DEPENDENCE ON EXTERNAL SOURCES IN THE NATIONAL DEFENSE FIELD. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ANKARA 06433 191251Z

1. MAJOR POINTS OF PROGRAM ARE:

(A) THE DEFENSE INDUSTRY MUST FUNCTION INTEGRALLY WITH PRESENT INDUSTRIAL INFRASTRUCTURE WITHOUT BURDENING ECONOMIC DEVELOPMENT. DEFENSE INDUSTRY ACTIVITIES WILL BE INTEGRATED IN PRESENT AND FUTURE 5-YEAR PLANS AND ANNUAL PROGRAMS.

(B) PRIORITY WILL BE GIVEN TO EXISTING INDUSTRIAL INFRASTRUCTURE IN DEVELOPING A DEFENSE INDUSTRY.

(C) THE DEFENSE INDUSTRY WILL ATTEMPT TO MEET ITS BASIC REQUIREMENTS FOR COMPONENTS AND SUB-ASSEMBLIES FROM EXISTING DOMESTIC PRIVATE AND PUBLIC SECTOR MANUFACTURING COMPANIES. DEFENSE INDUSTRY WILL ALSO ACTIVELY PROMOTE ESTABLISHMENT OF NEW SATELLITE INDUSTRY.

(D) CAPABILITY OF EXISTING AND FUTURE DEFENSE INDUSTRIES WILL BE ESTABLISHED WITH ARMED SERVICES OBJECTIVES AND NEEDS, AS DETERMINED BY TURKISH GENERAL STAFF. IN ESTABLISHING PRODUCTION CAPABILITIES, POSSIBILITY OF EXPORT OF DEFENSE MATERIAL WILL BE TAKEN INTO ACCOUNT.

(E) CERTAIN VEHICLE AND ELECTRONIC REQUIREMENTS WILL BE MET BY THE EXISTING AND EXPANDED PRIVATE AND PUBLIC MANUFACTURING SECTORS. A DEFENSE INDUSTRY ENTERPRISE UNDER THE MINISTRY OF DEFENSE WILL BE SET UP TO HANDLE OTHER INDUSTRIES.

(F) AN AIRCRAFT INDUSTRY IN PARTNERSHIP WITH FOREIGN AND DOMESTIC FIRMS WILL BE FOUNDED BY TUSAS (CORPORATION ESTABLISHED UNDER PUBLIC LAW). FINANCIAL RESOURCES TO BE USED IN THE AIRCRAFT INDUSTRY WILL BE FUNDS ALLOTTED FROM THE STATE BUDGET, CONTRIBUTIONS OF THE ARMED FORCES' FOUNDATIONS AND DOMESTIC AND EXTERNAL LOANS.

(G) PROCURING DEFENSE NEEDS FROM NATIONAL INDUSTRY WILL REDUCE DEPENDENCE ON OTHER COUNTRIES FOR NATIONAL SECURITY NEEDS. DEFENSE INDUSTRY WILL ALSO HELP THE BALANCE OF PAYMENTS, CONSTRUCTIVELY UTILIZE THE RAW MATERIAL RESOURCES OF THE COUNTRY, INCREASE EMPLOYMENT, ASSIST HIGH TECHNOLOGY PRODUCTION AND DEVELOP NATIONAL SKILLS.

(H) THE FOLLOWING ARE PRIORITY PROJECTS: MODERN TANKS, OTHER LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 ANKARA 06433 191251Z

ARMED VEHICLES AND CARRIERS, MOTOR VEHICLES, ELECTRONIC DEVICES, RADIOS AND OTHER SIGNAL EQUIPMENT, OPTICAL EQUIPMENT, AIRCRAFT AND HELICOPTERS, VARIOUS TYPES OF GUNS, ANTI-AIRCRAFT AND ANTI-TANK GUNS, ALL KINDS OF AMMUNITION, ROCKETS AND GUIDED MISSILES, BUILDING OF WARSHIPS AND AUXILIARY SHIPS AND SHIPYARD EQUIPMENT.

2. COMMENT: TURKEY HAS LONG BEEN DISCUSSING THE NEED TO SET UP A NATIONAL AIRCRAFT INDUSTRY AND HAS ONLY RECENTLY CALLED FOR THE CREATION OF A DEFENSE INDUSTRY ON THE SCALE OUTLINED ABOVE. MOST OF THE STIMULUS COMES FROM THE U.S. ARMS EMBARGO AND TURKISH

EFFORTS TO MAINTAIN A STRONG DEFENSE POSTURE. AN ADDITIONAL FACTOR HAS BEEN THE TRADITIONAL TURKISH EMPHASIS ON ETATISM AND AUTARKY IN INDUSTRIAL DEVELOPMENT. THE EMBARGO MAY BE FORCING TURKEY INTO VERY UNECONOMIC AND COSTLY DECISIONS. IT DOES NOT PRESENTLY HAVE THE INDUSTRIAL OR FINANCIAL CAPABILITY TO BUILD A NATIONAL DEFENSE INDUSTRY.

TURKEY CANNOT REACH A SEMBLANCE OF SELF-SUFFICIENCY IN THE MILITARY PROCUREMENT FIELD FOR YEARS. WHILE TECHNOLOGY CAN BE PURCHASED AND FOREIGN TECHNICIANS HIRED OR TURKISH ONES TRAINED, THE POTENTIAL COST OF EVEN PARTIALLY MANUFACTURING MILITARY EQUIPMENT FOR A 450,000 MAN ARMY IS MIND-BOGGLING. PRESENT FINANCIAL RESOURCES AVAILABLE ARE THE APPROXIMATE TL 3-5 BILLION (\$1 - TL14.50) AVAILABLE IN THE DIFFERENT ARMED SERVICES ASSOCIATION FUNDS AND THE TL 7.3 BILLION

APPROPRIATED FOR REMO (REORGANIZATION AND MODERNIZATION OF THE ARMED FORCES) IN FY 75. IN ADDITION, REMO APPROPRIATIONS OF TL 6,040 MILLION IN 1976, TL 5,440 MILLION N 1977 AND TL 1,680 MILLION IN 1978 HAVE ALREADY BEEN APPROVED, WITH PRIOR PARLIAMENTARY APPROVAL TO EXCEED THE ABOVE FIGURES BY 50 PERCENT IF NECESSARY. FUNDING THE REMO APPROPRIATIONS IS ANOTHER MATTER, HOWEVER. THE FY 1975 BUDGET IS ALREADY SOME TL 15 - 30 BILLION N THE RED (ESTIMATES DIFFER) AND THE TRADITIONAL TURKISH METHOD OF RESHUFFLING WILL NOT WORK FOR SUMS OF REMO MAGNITUDES. RESHUFFLING OF APPROPRIATIONS WITHIN THE BUDGET WOULD ALSO HAVE THE TENDENCY OF CUTTING OTHER BIG INVESTMENTS WHICH ARE ALREADY LAGGING DUE TO INFLATIONARY COST INCREASES, POOR BUDGETRY PLANNING AND FAULTY EXECUTION OF PROJECT DESIGN AND FEASIBILITY.

SUCH A PROGRAM IS HARDLY POSSIBLE WITHOUT FOREIGN ASSISTANCE;
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 ANKARA 06433 191251Z

THOUGHT HAS BEEN GIVEN TO OBTAINING FINANCING FROM THE ARAB WORLD, PARTICULARLY LIBYA. CONCOMMITANTLY, THERE IS AT THIS STAGE SOME SPECULATION THAT THESE SAME COUNTRIES MIGHT PARTICIPATE IN A PACKAGE DEAL WHEREBY PRODUCTION COULD BE EXPANDED BEYOND TURKEY'S NEEDS AND THE EXCESS EXPORTED TO THE PARTICIPATING COUNTRIES. SUCH A PROGRAM APPEARS UNREALISTIC AT THE PRESENT TIME.

THE MINISTRY OF DEFENSE'S PLANS FOR A DEFENSE INDUSTRY IN TURKEY ARE INTERESTING PRIMARILY FOR THE COMMENTARY THEY PROVIDE ON TURKISH POLITICAL AND MILITARY DYNAMICS AND THE COUNTRY'S DETERMINATION TO REPLACE VIRTUAL SOLE DEPENDENCY ON THE U.S. AS A MILITARY SUPPLIER. WHILE PROGRESS CAN BE EXPECTED IN REORGANIZING AND MODERNIZING TURKEY'S MILITARY EQUIPMENT PROCUREMENT AND LIMITED LOCAL MANUFACTURE, THE DEFENSE INDUSTRY ENVISAGED BY TURKISH DEFENSE PLANNERS IS ALMOST CERTAINLY OUT OF THE COUNTRY'S REACH TECHNICALLY, INDUSTRIALLY AND ECONOMICALLY FOR AT LEAST THE NEXT 5 - 10 YEARS.
MACOMBER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEFENSE INDUSTRY, MILITARY PLANS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ANKARA06433
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750286-0460
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750837/aaaabgjjg.tel
Line Count: 169
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 22 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 MAY 2003 by ShawDG>; APPROVED <07 OCT 2003 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MINISTRY OF DEFENSE PLANNING FOR TURKISH DEFENSE INDUSTRY SUMMARY: THE MINISTRY OF DEFENSE ANNOUNCED ON AUGUST 16
TAGS: MPOL, PINT, EIND, TU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006